



1401 H Street NW  
Suite 600  
Washington DC  
20005-2164

Tel (202) 326-7244  
Fax (202) 326-7333  
wmccormick@usta.org  
www.usta.org

Walter B. McCormick, Jr.  
President and Chief Executive Officer

February 13, 2004

***EX PARTE PRESENTATION***

The Honorable Michael K. Powell,  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 8 B201  
Washington, D.C. 20554

The Honorable Kathleen Q. Abernathy  
Commissioner  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 8 B115  
Washington, D.C. 20554

The Honorable Jonathan Adelstein  
Commissioner  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

The Honorable Michael Copps  
Commissioner  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 8 A302  
Washington, D.C. 20554

The Honorable Kevin Martin  
Commissioner  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 8 A204  
Washington, D.C. 20554

Re: **Ex Parte Presentation CC Docket No. 02-361**

Dear Commissioners:

The undersigned (USTA small member companies) seek the expeditious resolution of the AT&T Petition in the above referenced docket, which has been pending before the Federal Communications Commission (FCC/Commission) for more than fifteen months. AT&T's Petition asks the FCC to determine whether access charges apply to long distance voice calls that are transported over its internet protocol (IP) backbone network. AT&T's Petition does not ask the Commission to change its access rules, but rather seeks a determination as to whether existing FCC rules require AT&T to pay access charges.

USTA small member companies believe that the voice service described in AT&T's Petition is telecommunications service subject to the payment of access charges under the Commission's rules. The law requires that access charges must be paid when a call both originates and terminates on a local exchange carriers' circuit switched network without regard to any transient protocol changes that may take place during transport over the interexchange carrier's (IXC) transport function. The FCC in the 1998 Stevens Report to Congress did not alter the current access charge regime and create a new

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exemption for all IP traffic, as AT&T falsely believes. Nor did the FCC alter its access rules via a rulemaking proceeding. We believe the current rules are clear, and should be enforced.

The FCC's continued inaction places USTA small member companies at risk because access charges account for more than \$2 Billion in small company revenues (interstate and intrastate). Moreover, an access charge exemption of IXCs' phone-to-phone IP telephony services could threaten the financial viability of small rural local exchange carriers (LECs) and could affect consumers and impair customer service efforts by forcing rural LECs to delay network upgrades. An access charge exemption may also release IXCs from paying into Universal Service funds at the federal and state levels, which would greatly threaten the viability of the fund and the provision of universal telephone service to rural consumers.

USTA small member companies ask the FCC to act quickly to reaffirm that the services referenced in the AT&T Petition are telecommunications services and are consequently subject to the payment of access charges. If the FCC were to further delay or rule adversely to its current access rules, the consequences may be catastrophic for rural LECs.

Sincerely,

A handwritten signature in black ink, appearing to read 'Walter B. McCormick, Jr.', with a stylized flourish at the end.

Walter B. McCormick, Jr.

**USTA SMALL MEMBER COMPANIES**  
**SIGNATORIES RE AT&T VOIP**

Albany Mutual Telephone Association  
Alenco Communications  
All West Communications  
Amherst Telephone Co.  
Beggs Telephone Co. Inc.  
Bentleyville Telephone Co.  
Butler-Bremer Mutual Telephone Co.  
Cambridge Telephone Company, Inc.  
Cameron Communications LLC  
Cannon Valley Telecom, Inc.  
Carnegie Telephone Co.  
Cascade Utilities Inc.  
CC Communications Co.  
Champaign Telephone Co.  
Cherokee Telephone Co.  
Chesnee Telephone Co.  
Comsouth Telecommunications, Inc.  
Cooperative Telephone Co.  
Country Road Communications  
Cross Telephone Co.  
Cross Telephone Co.  
Crown Point Telephone Corporation  
Cumby Telephone Co-op.  
Darien Telephone Co.  
Delavan Telephone Co  
Dell Telephone Co.  
Doylestown Telephone Co.  
Dumbarton Telephone Co.  
Duo County Telephone Co-op Corp. Inc.  
Ellington Telephone Co.  
Ellsworth Coop Telephone Assoc.  
Epic Touch Co.  
Evans Telephone Co  
F&B Communications  
Farmer Telephone Co.  
Farmers Co-op Telephone Co.  
Farmers Mutual Telephone Co.  
Fidelity Telephone Co.  
Fishers Island Telephone Co  
Geneseo Telephone Co.  
Georgetown Telephone Co.

Gorham Telephone Co.  
Grafton Telephone Co.  
Grand Telephone Co.  
Granite State Telephone Co.  
Gridley Telephone Co.  
Guadalupe Valley Telephone Co-op  
H&B Communications, Inc.  
Hinton Telephone Co., Inc.  
Home Telephone Co.  
Hospers Telephone Co.  
Humboldt Telephone Co.  
Industry Telephone CO.  
InterBel Telephone Co  
Kalona Co-op Telephone Co.  
Kaplan Telephone Co.  
Kaplan Telephone Co., Inc.  
Kerman Telephone Co  
Kinsman Mutual Telephone Co.  
Lakedale Communications Co.  
LaMotte Telephone Co.  
Leaf River Telephone Co.  
Lennon Telephone Co.  
Linconville Telephone Co.  
Lockhart Telephone Co.  
Madison Telephone Company  
Margaretville Telephone Co.  
McDonald County Telephone Co.  
McNabb Telephone Co  
Mechanicsville Telephone Co.  
Metamora Telephone Co.  
MGW Telephone Co.  
Midwest Telephone Co.  
Minburn Telecommunications, Inc.  
Moapa Valley Telephone Co.  
Monroe Telephone Co.  
Moultrie Independent Telephone Co.  
New Hope Telephone Co.  
New Ulm Telecom, Inc.  
Newport Telephone Co  
Nicholsville Telephone Co.  
Nortex Communications Co.

North Dakota Telephone Co.  
Northern Arkansas Telephone Co.  
Ogden Telephone Co.  
Oregon –Idaho Utilities, Inc.  
Osakis Telephone Co.  
Otter Tail Telecom  
Palmetto Rural Telephone Co-op, Inc.  
Park Region Telephone  
Pattersonville Telephone Co.  
PBT Telecom Inc.  
Pennsylvania Telephone Co  
Peoples Telephone Co. of Bigfork  
Phillips County Telephone Co.  
Pine Drive Telephone Co.  
Pine Telephone System, Inc.  
Pine Tree Telephone Co  
Pinnacles Telephone Co.  
Pioneer Telephone Association, Inc  
Place Millington Telephone Co.  
Polar Telecommunications Co.  
Ponderosa Telephone Co.  
Pottawatomie Telephone Co.  
Prairie Grove Telephone Co  
Preston Telephone Co.  
Pymatuning Independent Telephone Co.  
Radcliffe Telephone Co  
Range Telephone Co-op, Inc.  
Richmond Telephone Co  
Ridgeway Telephone Co.  
Riviera Telephone Co., Inc.  
Rockwell Telephone Co.  
Rothsay Telephone Co  
RT Communications Inc.  
Saco River Tel. & Tel Co.  
Saco River Telephone Co.  
Sandwich Isles Communications, Inc.  
Shawnee Telephone Co  
Shenandoah Telephone Co.  
Sherwood Telephone Association  
Siskiyau Telephone Co.  
Southern Montana Telephone Co.  
Spring Grove Coop Telephone Co.  
Summit Telephone Co. of Alaska, Inc.  
Templeton Telephone Co.  
The Chester Telephone Co.  
The Mechanicsville Telephone Company

The Pine Tree Tel. & Tel. Co.  
Toledo Telephone Co.  
Union Telephone Co.  
United Farmers Telephone Co.  
Valley Telephone  
Van Horne Co-op Telephone Company  
Volcano Telephone Co.  
Waitsfield-Fayston Telephone Co., Inc  
Waldron Telephone Co  
Wamego Telecommunications Co.  
War Telephone Co  
War Telephone Co.  
West Central Telephone Association  
Western New Mexico Tel. Co.  
Westphalia Telephone Co.  
Wilkes Telephone & Electric CO.  
Woolstock Mutual Assn.  
Yukon Waltz Telephone Co.